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18 November 1960

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# CENTRAL INTELLIGENCE BULLETIN



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**CENTRAL INTELLIGENCE BULLETIN**

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**DAILY BRIEF**

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II. ASIA-AFRICA

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Algeria: The Algerian rebel government, fearing Western reactions to the presence of Chinese personnel in North Africa, reportedly discussed ways of accepting Chinese Communist material help without any accompanying technicians or advisers during its 4-10 November meeting in Tunis. The rebels reportedly are preparing to step up military operations. They have formed new units in Tunisia, and a group of Algerians trained in China have reportedly arrived to train these units in the use of Chinese arms. The rebels may also be planning to raise an African volunteer regiment in Guinea.] OK

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Laos: Radio Vientiane announced on 17 November that agreement had been reached between the government and the Pathet Lao on the dispatch of a government good-will mission to Hanoi and Peiping, the establishment of postal relations with Hanoi, and the establishment of "friendly relations" with Peiping. Fulfillment of this agreement would carry Laos further along the road to closer ties with the Sino-Soviet bloc than Premier Souvanna Phouma had previously indicated he was prepared to go. It may reflect his lessening ability to resist pressures from the extreme left in the face of the erosion of his support from the right, as most recently evidenced by General Ouane's apparent defection to General Phoumi's Savannakhet group. There is some possibility, however, that Souvanna himself proposed these steps as a means of eliciting stronger bloc diplomatic and propaganda support in his struggle to remain in office. 25X1

Burma: Conflict among Burma's top military leadership over the army's political role appears to be deepening. 25X1 OK

Chief of Staff General Ne Win, who persuaded the army to accept the return of civilian government last February, continues to insist that the army avoid any action offensive to civilian political leaders or to Communist China. His close adviser, Brigadier Maung Maung, is protesting that this is creating an "impossible situation" and that

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he will resign unless a more "realistic stand" is taken. Brigadier Aung Gyi, third-ranking member of the army leadership, thus far has taken no position. Growing pressure from the officer corps may ultimately force Ne Win to renew intervention in governmental affairs. ]

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Japan: Leading independent political commentators in Japan are predicting that in the 20 November election, Prime Minister Ikeda's conservative Liberal-Democratic party may slightly increase its strong majority in the lower, more powerful chamber of parliament. Japanese observers warn against interpreting a conservative victory as a strong popular mandate for the US-Japanese security treaty, however, even though the question of neutralism has become a major issue of campaign debate among national party leaders. Local issues and personalities and domestic economic issues will probably influence voters more than foreign policy. ]

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### III. THE WEST

West Germany: All-German Affairs Minister Ernst Lemmer has told American officials in Berlin that Economics Ministry Under Secretary Westrick was scheduled to meet secretly with East German representatives on 17 November to initiate new interzonal trade negotiations. Although Bonn may claim that Westrick is merely an alternate for Kurt Leopold, Bonn's low-level representative of the semiofficial so-called "trustee office" established in West Berlin to handle trade with East Germany, such a meeting would be a high-level government contact with the East Germans, who could exploit it in their drive for recognition. By this shift in policy, Adenauer may hope to obtain East German guarantees of civilian access to Berlin. ]

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Argentina: Army Commander in Chief General Carlos Toranzo Montero, key figure in the mid-October crisis prompted by army complaints over President Frondizi's advisers and policies, intends to renew pressure soon for specific action on these complaints. Toranzo Montero may attempt a coup if, as he expects, Frondizi refuses such demands as the removal of Economy Minister Alsogaray and imposition of federal control over several provinces. While most of the military agree to pressure on Frondizi, they oppose any coup attempt and will try to dissuade the hot-headed Toranzo Montero from setting back constitutional government. OK

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Honduras: The government of Honduras is alert for possible outbreaks inspired by recent revolutionary activities in other Central American countries and by Communists and Castro supporters who plan to intensify their agitation during a "pro-Cuba week" to begin on 20 November. An immediate cause for the government's concern is the decision of the International Court of Justice on the bitter Honduran-Nicaraguan border dispute, to be announced on 18 November, which will have especially strong political repercussions in whichever country considers it has lost the dispute.

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Provisional Algerian Government Discusses  
Communist Aid

The Algerian provisional government, during its 4-10 November plenary session in Tunis, reportedly discussed ways of accepting Chinese Communist materiel without the technicians or advisers that usually accompany it. [ ] the rebel government believes acceptance of Chinese Communist materiel might have a desirable psychological effect on the West, but that the presence of Communist personnel could have a counterproductive reaction.

Press reports that rebel units are already employing Chinese mortars in attacks on the electrified barriers along the Tunisian and Moroccan borders are unconfirmed.

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[ ] no sign of Chinese Communist elements among rebel forces along the Moroccan frontier.

The rebels are probably preparing to step up military operations. The winter months provide favorable weather for guerrilla activity, and the rebels may wish to demonstrate their strength prior to the UN debate on Algeria.

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[ ] the rebels plan to open a military front in the Sahara-Mali border area to coincide with the debate.

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[ ] New units for the rebel army have been formed in Tunisia, where there are already 10,000 rebel troops, and [ ] a group of about 40 Algerians trained in China has arrived to train these units in the use of Chinese weapons. The rebels may also be planning to form and train a volunteer regiment in Guinea.

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The Situation in Laos

Radio Vientiane announced on 17 November that the royal government and the Communist-dominated Pathet Lao had agreed on the following points: the dispatch of a government good-will mission to North Vietnam and Communist China; the commencement of postal service between Laos and North Vietnam; and the establishment of 'friendly relations' with Communist China. Fulfillment of the agreement would carry Laos further along the road to closer ties with the bloc than Premier Souvanna Phouma had previously indicated he was prepared to go, suggesting he now may feel himself unable, due to erosion of his support from the right, to resist the demands of the Pathet Lao and other extreme leftist elements.

There is also a possibility that Souvanna himself took the initiative in bringing about the agreement as a means of eliciting stronger Sino-Soviet bloc diplomatic and propaganda support in his struggle, against increasingly difficult odds, to retain office. The swing-over of northern Laos to General Phoumi's Savannakhet Revolutionary Committee was a severe blow to Souvanna's position, which has been compounded by the defection to Phoumi of Souvanna's erstwhile armed forces commander, General Ouane. These developments have left Souvanna in a bitter mood, as evidenced by his threats to take military action to recoup his losses and by his public attack on the United States for "illegally" supporting Phoumi.

Whether or not Souvanna retains any real power of initiative in Vientiane, the odds appear increasingly in favor of an attack on the Phoumi forces southeast of Pak Sane by Captain Kong Le's paratroopers, in conjunction with Pathet Lao elements. [Souvanna during the past few weeks has only with difficulty restrained these forces]

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C from resuming their offensive; he may now be either in no position or no mood to resist further demands for military action against Phoumi. Although Phoumi has strengthened and reorganized his forces since their humiliating defeat at the hands of the paratroopers in late September, it is believed that they remain vulnerable to another debacle.

CThe military situation in Vientiane itself remains obscure. It is reported to be only lightly garrisoned by regular Laotian Army elements which are divided by conflicts of loyalty to Souvanna, Kong Le, or Phoumi. The capital would thus appear open to occupation by the Pathet Lao, strong elements of which are reputed to be close to the town and in a position to advance from several directions.

Souvanna's continuation in office is the only deterrent to Pathet Lao occupation of the capital.

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Burma's Commander in Chief and Subordinates Disagree  
On Army's Political Role

Brigadier Maung Maung, military training director and close adviser to General Ne Win, is said to be firmly opposed to Ne Win's current policy of nonintervention in Burmese politics.

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Maung Maung considers that the army's inaction is in effect installing Communist China as Burma's "new master." He has threatened to resign from the army unless Ne Win allows more forceful intervention with the government.

General Ne Win is reluctant to intervene, as he fears the corrupting influence of political power on the officer corps. He overrode army objections to permit the February national elections and U Nu's return as prime minister. Although he is reportedly seriously concerned with the deterioration of government administration since he left office, he has permitted Nu free rein in all areas not directly affecting the army. The flare-up with Maung Maung reportedly occurred at a 10 November meeting at which Ne Win insisted that the army should avoid any action which might be offensive to the Chinese Communists or to Burma's civilian political leaders. Brigadier Aung Gyi, the third member of the army top command, although present at the discussion, is not reported to have taken any position.

Burma's officer corps has been generally restive under the Nu administration and, although no one threatens Ne Win's leadership, criticism of his policies appears to be rising. Growing pressures from such figures as Maung Maung may force the general to renew intervention in government affairs.

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Japanese Election

Leading independent Japanese political commentators are predicting that in the election on 20 November, Prime Minister Hayato Ikeda's conservative Liberal-Democratic party (LDP) will increase slightly the majority it now holds in the lower, more powerful house of the parliament. The LDP, which hopes to win 300 of the 467 seats, now holds 283, and 14 of 19 vacant seats were last occupied by that party. There has been a steady decline in conservative representation since 1952.

A conservative gain would enhance Ikeda's prestige and strengthen his hand in maintaining Japan's alignment with the West by discouraging dissident LDP faction leaders from attacking the prime minister and his program. However, major faction leaders are attempting in the election to increase their Diet followings to prepare for the eventual struggle to succeed Ikeda as party president and prime minister. There appears to be no serious threat to Ikeda's position in the immediate postelection period, but the relative strength of the factions will influence his cabinet appointments and the length of his tenure.

Although the question of neutralism became a major subject of campaign debate after the assassination of Socialist leader Inejiro Asanuma in mid-October, Japanese observers warn that a conservative victory should not be interpreted as a popular mandate for continuing the US-Japanese security treaty. Ikeda has defended the treaty and rejected the Socialists' program of "positive neutralism," but local issues and personalities, plus Ikeda's program for tax reduction, increased welfare benefits, and continued prosperity, are expected to influence voters more than foreign policy.

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Possible Major Shift in Bonn's East German Policy

All-German Affairs Minister Ernst Lemmer has told American officials in Berlin that Economics Ministry Under Secretary Westrick was scheduled to meet secretly with East German representatives on 17 November to initiate new interzonal trade negotiations. Although Bonn may claim that Westrick is merely an alternate for Kurt Leopold, Bonn's low-level representative of the semiofficial so-called "trustee office," established in West Berlin to handle trade with the East Germans, such a meeting would be a high-level government contact with the East Germans, who could exploit it in their drive for recognition.

Bonn has always taken the view that high-level governmental talks with the East Germans would constitute de facto recognition of the regime, and it has been careful to limit all contacts to those between economic and transport technicians. Adenauer now may hope, in view of recent improved relations with the USSR, to obtain by this shift in policy some kind of Soviet - East German guarantee on access to West Berlin.

In a press interview on 12 November, Adenauer stated that Bonn will be flexible in new negotiations with the East Germans. He expressed his conviction that a new agreement will be reached and added that if negotiations are conducted intelligently, Bonn might achieve some advantage for Berlin access. [redacted]

Argentine Army Chief Planning Coup

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[Argentine Army Commander in Chief General Carlos Toranzo Montero, key figure in the mid-October crisis prompted by army complaints over President Frondizi's advisers and policies, intends to renew pressure soon for specific action on these complaints. Toranzo Montero may attempt a coup, if, as he expects, Frondizi rejects such demands as the removal of Economy Minister Alsogaray and the imposition of federal control over several provinces. Alsogaray told US Ambassador Rubottom a week ago that the general's attitude "was becoming intolerable and a showdown was expected within two weeks, barring any blunder that might cause it sooner." The embassy has later information indicating that the army will renew its demands after the departure on 20 November of 27 US governors now visiting Argentina.]

[Toranzo Montero's prestige has dropped sharply since the October crisis because the majority of the army wanted merely to pressure Frondizi, not upset constitutional government as was threatened by Toranzo Montero's actions.]

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[He no longer has the ability or support to survive the difficulties which would be certain to follow a coup. While three important army commanders and the commander of the ocean fleet are reportedly behind Toranzo Montero, less than 30 percent of the army supports him fully. The US naval attaché reported on 7 November that a group of admirals has decided that the navy would definitely resist any army coup "with all means available," and that they felt the army would have little spirit to continue a coup when faced by the navy. Toranzo Montero, who considers himself "destined to save the nation," apparently does not anticipate such a navy reaction and counts on reluctance within the army to oppose his plans with force.]

[Unrest in the army is widespread.]

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[Even officers who oppose a coup believe this situation exists and that only army pressure will force Frondizi to change it. These officers will probably try to dissuade Toranzo Montero from upsetting constitutional government.]

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Situation in Honduras

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The political situation in Honduras is unsettled, reflecting recent revolutionary activity in neighboring Central American countries, and President Villeda Morales is alerted for outbreaks. The Honduran armed forces are often at odds with the President over his toleration of leftists and exile activities in Honduras. The government believes some army officers are conspiring against it but does not expect a major revolt.

The situation is aggravated by the agitation of Communists and Castro supporters in Honduras who for more than a year have been assiduously cultivated by the Cuban Embassy. These elements now are preparing to intensify their activities during a "pro-Cuba week" to begin on 20 November. Honduran security forces are prepared to prevent violence, but public sympathy for the Cuban revolution is substantial, and Villeda probably fears the reaction which any repression of the demonstrations could generate. The Honduran foreign minister admitted to a US Embassy officer on 13 November that pro-Castro groups are showing increased activity and effectiveness in Honduras.

An immediate cause for the government's concern is the decision of the International Court of Justice on the emotion-laden dispute between Honduras and Nicaragua over a sparsely settled, largely undeveloped area on their border. The decision is expected to be issued on 18 November. Neither country is politically mature enough to accept an adverse judgment, and the government would be held responsible for a defeat.

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the Nicaraguan Government believes the decision will favor Honduras and will result in a move into the disputed area by Hondurans, which Nicaragua will be under popular pressure to resist with force.

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- Scientific Adviser to the President
- Director of the Budget
- Director, Office of Civil and Defense Mobilization
- Director, National Aeronautics and Space Administration
- Special Assistant for Security Operations Coordination
- Chairman, Board of Consultants on Foreign Intelligence Activities
- Special Assistant for Foreign Economic Policy
- Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

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The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

The Director, The Joint Staff

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Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Commandant, United States Marine Corps

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Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

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National Security Agency

The Director

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